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UNITED STATES DISTRICT COURT

DISTRICT OF NEW JERSEY

IN RE VIRGIN MOBILE USA IPO
LITIGATION

Civil Action No. 07-5619 (SDW)

Document Electronically Filed

**DEFENDANTS' STATEMENT REGARDING LEAD PLAINTIFFS' MOTION FOR
FINAL APPROVAL OF THE SETTLEMENT AND PLAN OF ALLOCATION AND
MOTION FOR AWARD OF ATTORNEYS' FEES AND EXPENSES AND
REIMBURSEMENT OF LEAD PLAINTIFFS' COSTS**

Defendants Virgin Mobile USA, Inc., Daniel H. Schulman, John D. Feehan, Jr., Frances Brandon-Farrow, Mark Poole, Robert Samuelson, Corvina Holdings Limited, Douglas B. Lynn, Sprint Nextel Corp., Merrill Lynch, Pierce, Fenner & Smith, Inc., Bear, Stearns & Co., Inc., Raymond James & Associates, Inc., and Thomas Weisel Partners LLC (collectively, the “Defendants”) respectfully submit this statement regarding Lead Plaintiffs’ Memoranda of Law in Support of Final Approval of the Settlement and Plan of Allocation, and an Award of Attorneys’ Fees and Expenses and Reimbursement of Lead Plaintiffs’ Costs (“Plaintiffs’ Motions”). All capitalized terms contained herein shall have the same meanings ascribed to

them in the Stipulation of Settlement, dated July 23, 2010 (“Stipulation”), unless otherwise defined herein.

As of November 5, 2010, Defendants have been made aware of only one putative Class Member requesting exclusion from the Class, whose exclusion request indicates that he allegedly purchased, *inter alia*, 500 shares of Virgin Mobile stock outside the Class Period. As of November 5, 2010, Defendants are not aware that any Class Member has objected to the Settlement.

Throughout the litigation, Defendants have disagreed with Lead Plaintiffs regarding a number of legal and factual issues as to Lead Plaintiffs’ alleged claims and Defendants have denied and continue to deny all claims and contentions alleged by Lead Plaintiffs in the litigation, including as may be reflected in Plaintiffs’ Motions. Nonetheless, Defendants support the request for final approval of the Settlement and respectfully submit that the Court should approve the Settlement as fair and reasonable and enter a final Judgment and order approving the Settlement as fair and reasonable. Defendants take no position with respect to an application by Lead Plaintiffs for an award of attorneys’ fees and expenses or for the time, cost and expenses of Lead Plaintiffs, to the extent those applications comply with paragraphs 6.1 and 6.3 of the Stipulation.

Dated: November 5, 2010

Respectfully submitted,

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